

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

17313

415/398-4510

REGISTRATION NO. FILED 1425

MAY 17 1991 -3 05 PM

1-137A046

VIA AIR COURIER

INTERSTATE COMMERCE COMMISSION

May 16, 1991

Ms. Mildred Lee
Recordations Unit
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, DC 20423

Dear Ms. Lee:

Enclosed is an Agreement of Sale and Assignment of Lease dated as of May 15, 1991 between the following parties:

Seller: U.S. Railcar, Inc.
11 N. Skokie Highway
Lake Bluff, IL 60044

Buyer: Helm Financial Corporation
One Embarcadero Center, 35th Floor
San Francisco, CA 94111

The equipment involved in this transaction is as follows:

Equipment: Gondolas
See Annex A for Car Numbers

Please file this agreement as a primary document. The filing fee of \$15 is enclosed. Thank you.

Sincerely,

Karen Rahnasto
Karen Rahnasto
Fleet Operations Administrator

MAY 17 3 04 PM '91
RECORDATIONS UNIT

Enclosures

MAY 17 1991 -3 05 PM

INTERSTATE COMMERCE COMMISSION

AGREEMENT OF SALE AND ASSIGNMENT OF LEASE

THIS AGREEMENT, made effective as of the 15th day of May, 1991 by and between U.S. RAILCAR, INC., an Illinois corporation (hereinafter called "Seller"), with its principal place of business at 11 N. Skokie Highway, Lake Bluff, IL 60044 and HELM FINANCIAL CORPORATION, a California corporation, with its principal place of business at One Embarcadero Center, Suite 3500, San Francisco, CA 94111 (hereinafter called "Buyer").

W I T N E S S E T H

WHEREAS, Seller desires to sell and Buyer desires to purchase two hundred seventeen (217) railcars (hereinafter individually referred to as a "Unit" and collectively as the "Units") upon the terms and conditions hereinafter set forth.

WHEREAS, Seller wishes to assign and Buyer wishes to accept the assignment of the three Lease Agreements dated as of December 29, 1988, April 13, 1989, and October 18, 1989 with ICC recordation numbers 16349, 16884 and 16579-A (the "Leases"), between Seller and Southern Pacific Transportation Company, and MidSouth Corporation ("Lessees") and Seller wishes to assign and Buyer wishes to accept assignment of the Car Accounting Agreement(s) between Seller and The Pittsburgh and Lake Erie Railroad Company ("PLE Agreement(s)") both upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the terms and conditions hereinafter set forth, the parties hereto agree as follows:

1. Sale and Assignment. Seller agrees to sell to Buyer on the terms and conditions set forth herein the Units identified in Exhibit "A", attached hereto and made a part hereof.

Seller agrees to assign to Buyer on the terms and conditions set forth herein the Leases, copies of which are attached hereto as Exhibits "B", "C", and "D" and the PLE Agreement(s) copies of which are attached hereto as Exhibit "C" all made a part hereof and Buyer hereby agrees to accept such assignment and assume all obligations thereunder.

Seller shall, upon receipt of payment of the purchase price for the Units pursuant to Section 2 herein, deliver to Buyer an appropriate Bill of Sale and Assignment of Lease (hereinafter called the "Closing Documents") to the Units conveying all of its right, title and interest to the same.

2. Price and Closing. Buyer agrees to pay to Seller at closing \$2,593,000.00 for all Units as payment in full for the

Units and the Leases. Closing will occur on or before May 15, 1991 (the "Closing Date"). Payment of the price shall be made on the Closing Date by wire transfer to Seller pursuant to instructions which Seller shall provide to Buyer no later than noon on the business day prior to the Closing Date.

For any Unit subject to this Agreement which may be lost, stolen, destroyed or damaged beyond economical repair prior to the Closing Date ("Casualtied Unit"), the Purchase Price shall be modified by an amount agreed to by both parties.

In the event that an adjustment has been made to the Purchase Price pursuant to this section, any amount received by Purchaser under any lease agreement covering the settlement value for such Casualtied Unit shall be immediately remitted to Seller.

3. Title and Risk of Loss. Title and risk of loss to the Units shall pass to Buyer effective upon receipt by Seller of payment.

4. Condition of Units and Delivery. The Units are being purchased "as is", "where is", without any warranty of merchantability or fitness for any particular purpose.

5. Property Taxes. Seller assumes the liability for payment of all Property Taxes assessed for any period through the Closing Date.

6. Representations and Warranties by Seller.

A. Seller represents and warrants to Buyer, as of the Closing Date, that it is the true and lawful owner of the Units and the Leases, that it is duly authorized to sell the Units and assign the Leases and the PLE Agreement(s) as they relate to the Units, and that the same are subject to no pledges, liens, encumbrances, security interests or rights of third parties of any kind other than the respective liens of The First National Bank of Maryland on Units leased to MidSouth Corporation and The Deutsche Credit Corporation on Units Leased to the Southern Pacific Transportation Company (the "Bank Liens"). Seller agrees to indemnify Buyer and hold it harmless from and against any and all loss, cost, damage or expense, including reasonable attorneys' fees it may suffer as a result of any claims, demands, suits, actions, causes or action, recoveries or judgments arising out of any claim of title by or under Seller to the Units or any lien thereon in favor of any creditor including judgment of creditors of Seller and any affiliate, officer, employee or partner of Seller.

B. Seller represents and warrants that, as of the Closing Date, none of the Units is subject to any lease or sublease or other agreement, other than one of the Leases and the PLE Agreement(s) and that it has the right to assign the Leases and the PLE Agreement(s). Seller represents and warrants that said Leases and the PLE Agreement(s) are in full force and effect and there are no defaults of Seller thereunder and to Seller's knowledge no default of any Lessees thereunder and there are no amendments thereof. Seller represents and warrants that the Units are not subject to any management agreement or other agreement for the use, possession or management thereof.

C. Seller shall take all actions and execute all instruments or documents that Buyer may reasonably request from time to time to effectuate the assignment, perfect Buyer's title to the Units, and carry out the intent of transferring the rights of ownership provided for herein to Buyer.

D. Seller shall provide Buyer with any and all information in its possession or control relating to any and all presently existing liens, claims, encumbrances, or rights of any kind of any third party with respect to the Units and shall cooperate and assist Buyer in obtaining any such information relating to the Units in the possession or control of Seller's predecessors in interest (if any) in the Units or from any third party in privity of contract with Seller with respect to the Units.

E. Seller hereby covenants and agrees to do any and all acts necessary or desirable to remove any and all presently existing liens (including but not limited to the Bank Liens), claims, encumbrances, or rights of any kind of any third party clouding the title to the Units, including but not limited to obtaining executed Uniform Commercial Code and Interstate Commerce Commission release and termination agreements in a form sufficient to completely release or terminate the interest of such third party in the Units and in a form acceptable for filing with the appropriate governmental authority.

7. Survival of Warranties. The representations and warranties expressed and implied herein shall survive the execution and delivery of the Bill of Sale and Assignment.

8. Liability and Indemnity.

A. Seller agrees to assume and hereby does

assume, as between itself and Buyer, any and all liability for injury to or death of persons and loss or destruction of or damage to property in any manner arising from or growing out of the use, operation or condition of or on the Units, or any parts thereof, by or under Seller on or prior to the Closing Date, however such injury, death, loss, destruction or damage may occur or be caused, and agrees to indemnify and hold the Buyer harmless from any judgments, settlements, costs and expenses arising therefrom.

B. Buyer agrees to assume and hereby does assume, as between itself and Seller, any and all liability for injury to or death of persons and loss or destruction of or damage to property in any manner arising from or growing out of the use, operation or condition of or on the Units, or any part thereof, by or under Buyer after the Closing Date, however such injury, death, loss, destruction or damage may occur or be caused and agrees to indemnify and hold the Seller harmless from any judgments, settlements, costs and expenses arising therefrom.

9. Seller Documents. Seller shall deliver to Buyer at Closing:

A. The Bill of Sale and Assignment of Leases for the Units and the Leases duly executed by Seller in substantially the form attached as Exhibit E.

B. Copy of the notices to be sent to Southern Pacific Transportation Company and MidSouth Corporation of the Assignment by Seller of its rights under the Leases to Buyer (Exhibit F).

C. Copy of the notice to be sent to The Pittsburgh and Lake Erie Railroad Company of the Assignment of Seller of its rights under the PLE Agreement(s) to Buyer (Exhibit H).

10. Expenses and Fees. Each party shall bear its own expenses and neither Buyer nor Seller shall have any obligation to reimburse the other for such fees or expenses. Each party represents it has dealt with no broker, agent or other representative in connection with this transaction.

11. Sales Tax. Buyer shall pay or cause to be paid all sales or use tax liabilities, if any, found due resulting from the sale of the Units and Buyer shall indemnify and hold Seller harmless therefrom.

12. Notices. Any notices given or required to be given hereunder shall be sufficient if sent by certified mail, return receipt requested, to the addresses set forth at the beginning of this Agreement of Sale. The date of mailing of such notice by any party shall be deemed the date of the notice hereunder.

13. Entire Agreement; Amendments; Counterparts. This Agreement constitutes the entire understanding of the agreement between the parties hereto with respect to the sale of the Units. This Agreement may not be amended, modified or changed except by instruments in writing signed by all the parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same agreement.

14. Governing Law. This Agreement shall be construed in accordance with, and governed by the laws of the State of California.

15. No Violation or Breach. Seller and Buyer mutually represent each to the other that the performance of this Agreement by it, including any preconditions surviving warranties or representations, is not in violation of any laws, statutes, ordinances or state or federal regulations or any court order or administrative order or ruling.

16. Assignees. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

17. Headings. The section headings contained in this Agreement are for convenience of reference only, and shall not effect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be entered into as of the day and year first above written.

U.S. RAILCAR, INC.

By: Thomas H. Haus

Its: EXECUTIVE VICE PRESIDENT

HELM FINANCIAL CORPORATION

By: Richard C. [Signature]

Its: President

STATE OF ILLINOIS)
)
COUNTY OF LAKE) §

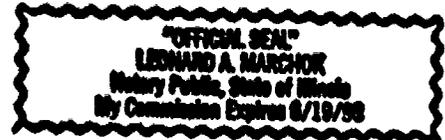
I, LEONARD A. MARCHOIK, a Notary Public in and for the state and county aforesaid, do hereby certify that MICHAEL STRAUSS of U.S. Railcar, Inc., an Illinois corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledges that he is EXEC. VICE-PRES of said corporation, he signed and delivered the aforesaid instrument pursuant to authority of its Board of Directors, as his free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand notarial seal this 14TH day of MAY, 1991.

Leonard A. Marcholik
Notary Public

My Commission Expires: _____

[Notarial Seal]



STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO) §

I, Karen Staudenmaier, a Notary Public in and for the state and county aforesaid, do hereby certify that Richard C Kirchner of Helm Financial Corporation, a California corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledges that he is President of said corporation, he signed and delivered the aforesaid instrument pursuant to authority of its Board of Directors, as his free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand notarial seal this 16th day of May, 1991.

Karen Staudenmaier
Notary Public

My Commission Expires: July 26, 1993

[Notarial Seal]



EXHIBIT "A"
TO
AGREEMENT OF SALE AND ASSIGNMENT OF LEASE

BETWEEN
U.S. RAILCAR, INC.

AND
HELM FINANCIAL CORPORATION

DATED AS OF MAY ____, 1991

Equipment Description

Seventy-four (74) 65 ft. Gondola Cars with PLE Reporting Marks

Car Numbers

PLE 15001	PLE 15066	PLE 15113	PLE 15190
PLE 15008	PLE 15067	PLE 15114	PLE 15192
PLE 15011	PLE 15068	PLE 15115	PLE 15196
PLE 15012	PLE 15073	PLE 15136	PLE 15197
PLE 15020	PLE 15074	PLE 15138	PLE 15198
PLE 15021	PLE 15080	PLE 15142	PLE 15202
PLE 15024	PLE 15081	PLE 15144	PLE 15209
PLE 15026	PLE 15082	PLE 15147	PLE 15210
PLE 15028	PLE 15085	PLE 15148	PLE 15216
PLE 15036	PLE 15088	PLE 15149	PLE 15221
PLE 15040	PLE 15090	PLE 15151	PLE 15224
PLE 15044	PLE 15091	PLE 15152	PLE 15227
PLE 15046	PLE 15096	PLE 15155	PLE 15232
PLE 15052	PLE 15099	PLE 15157	PLE 15238
PLE 15053	PLE 15100	PLE 15161	PLE 15239
PLE 15058	PLE 15102	PLE 15166	PLE 15242
PLE 15061	PLE 15103	PLE 15170	PLE 15248
PLE 15064	PLE 15108	PLE 15173	
PLE 15065	PLE 15112	PLE 15185	

Exhibit A
to
Agreement of Sale and Assignment of Lease
(continued)

Equipment Description

Ninety-three (93) covered gondolas

Car Numbers

PLE 44000	PLE 44317	PLE 44365
PLE 44001	PLE 44319	PLE 44370
PLE 44002	PLE 44320	PLE 44371
PLE 44003	PLE 44321	PLE 44373
PLE 44004	PLE 44322	PLE 44376
PLE 44006	PLE 44323	PLE 44377
PLE 44007	PLE 44325	PLE 44380
PLE 44008	PLE 44326	PLE 44381
PLE 44009	PLE 44327	PLE 44382
PLE 44010	PLE 44329	PLE 44384
PLE 44011	PLE 44331	PLE 44385
PLE 44012	PLE 44332	PLE 44386
PLE 44013	PLE 44334	PLE 44387
PLE 44014	PLE 44335	PLE 44390
PLE 44016	PLE 44336	PLE 44391
PLE 44017	PLE 44337	PLE 44392
PLE 44020	PLE 44338	PLE 44393
PLE 44021	PLE 44339	PLE 44394
PLE 44022	PLE 44342	PLE 44396
PLE 44035	PLE 44343	PLE 44397
PLE 44300	PLE 44344	PLE 44398
PLE 44301	PLE 44348	PLE 44399
PLE 44302	PLE 44351	PLE 44400
PLE 44304	PLE 44354	PLE 44401
PLE 44306	PLE 44353	PLE 44402
PLE 44307	PLE 44354	PLE 44409
PLE 44308	PLE 44357	PLE 44418
PLE 44310	PLE 44358	PLE 44419
PLE 44312	PLE 44359	PLE 44422
PLE 44314	PLE 44360	PLE 44423
PLE 44316	PLE 44361	PLE 44424

Exhibit A
to
Agreement of Sale and Assignment of Lease
(continued)

Equipment Description

Fifty (50) 100 ton gondolas cars

Car Numbers

SR	19029	SR	19430
SR	19041	SR	19450
SR	19042	SR	19458
SR	19043	SR	19466
SR	19132	SR	19471
SR	19136	SR	19486
SR	19146	SR	19487
SR	19147	SR	19517
SR	19162	SR	19518
SR	19177	SR	19544
SR	19186	SR	19562
SR	19202	SR	19570
SR	19205	SR	19576
SR	19228	SR	19651
SR	19259	SR	19667
SR	19260	SR	19708
SR	19289	SR	19751
SR	19293	SR	19758
SR	19304	SR	19804
SR	19306	SR	19806
SR	19355	SR	19849
SR	19381	SR	19855
SR	19391	SR	19887
SR	19404	SR	19897
SR	19406	SR	19905

EXHIBIT "B"
TO
AGREEMENT OF SALE AND ASSIGNMENT OF LEASE
BETWEEN
U.S. RAILCAR, INC.
AND
HELM FINANCIAL CORPORATION

(ATTACH COPY OF SP 1 LEASE)

51-1
LEASE

THIS LEASE, made this 29 day of DEC , 1988, by and between U. S. RAILCAR COMPANY, hereinafter called "Lessor" and SOUTHERN PACIFIC TRANSPORTATION COMPANY, hereinafter called "Lessee":

WITNESSETH

1. For and consideration of the rents, covenants and conditions hereinafter mentioned, Lessor does hereby lease to Lessee for its exclusive use, the following described rolling stock equipment:

<u>EQUIPMENT</u>	<u>LEASE RATE</u>	<u>EFFECTIVE DATE</u>
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(See Appendix "A" attached)

2. The term of this Lease shall commence as to each leased car on and after the Effective Date as stated in Exhibit "A" and shall continue in effect for a minimum term of five (5) years from that date ("Initial Term"). Thereafter, this Lease shall be renewed for an additional (1) year term subject to the mutual consent of both parties. Lessee shall give lessor written notice of its intention to renew this lease for an additional one (1) year term at least thirty (30) days prior to the expiration of the then current term. Routing and delivery of the leased cars to a destination point designated by lessee shall be in accordance with instructions as furnished to Lessor. Lessee shall assist Lessor in delivery of cars to minimize Lessor's transportation cost. However, if neither party has been able to minimize Lessor's transportation cost by the 45th day following execution of this

Agreement, then this Agreement will be terminated with no cost to the Lessor.

3. Lessee will not assign or sublease this Lease or any of the cars without the prior written consent of Lessor, which will not be unreasonably withheld. However, any event of default under such assignment or sublease will be considered as an event of default under this Lease. Lessor may sell or otherwise dispose of the cars or may assign and reassign all or part of its rights under this Lease, including the rent to be paid, without the consent of Lessee, if said sale, disposition, assignment or reassignment does not diminish, interfere or prejudice the rights of Lessee under this Lease, and Lessor will give to Lessee notice of any such sale, disposition, assignment or reassignment.

4. Lessee shall inspect the leased cars, to determine that they are acceptable to it and are in adequate condition and repair for its service and agrees that cars will be used solely in such service. The representatives of both Lessor and Lessee shall prepare and execute for each car, a Joint Inspection Certificate ("JIC"), as used under Rule 103 of Interchange Rules of the Association of American Railroads ("AAR"). Lessee shall maintain and keep the cars clean and in serviceable condition at its sole expense. Serviceable condition as mentioned in this Lease shall mean a level of maintenance which will preserve the original condition of each car as it was when originally accepted by Lessee, as evidenced by the JIC, normal wear and tear

excepted.

5. LESSEE EXPRESSLY AGREES TO LEASE EACH CAR "AS IS". LESSOR WILL NOT BE DEEMED TO HAVE MADE, AND LESSOR HEREBY DISCLAIMS, ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE CARS, THEIR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE CARS, NOR WILL LESSOR BE LIABLE IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE) OR OTHERWISE FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, SUCH AS, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, COST OF CAPITAL OR CLAIMS OF CUSTOMERS OF LESSEE.

6. Upon the termination of this Lease, Lessee shall return the leased cars to Lessor at any S.P. interchange point mutually agreed upon by Lessee and Lessor. The leased cars shall be deemed to remain in possession of lessee until returned as stated herein. Any transportation costs associated with the return of the cars will be assumed by Lessee.

7. All per diem and mileage earned off the lines of the Lessor will accrue for account of the Lessee. Lessee agrees to pay Lessor rental charges as shown in Appendix "A" for leased cars during the continuance of this Lease. The rental charge will apply as to each leased car respectively from and including the date of its acceptance by Lessee on its property, and continue each day thereafter until, but not including, the date of its return, or termination as per Paragraph #6.

Bills for rent shall be rendered monthly by Lessor and payment shall be made by Lessee within thirty days (30) days after rendition. No per diem or mileage shall accrue on any car while said car is empty on the lines of the Pittsburgh & Lake Erie Railroad Co. *Hed 12-29-88*

8. Any repairable damage to the leased cars, including but not limited to, thawing shed overheating, car dumper, clam bucket loading or unloading, mishandling, etc., while in the possession of Lessee, shall be the sole obligation of Lessee. In the event a leased car, while in the possession of Lessee, becomes lost, stolen, destroyed, or damaged beyond repair, as determined by Lessor, whether due to the negligence of Lessee or an act of God, rental shall terminate as to the leased car so lost, stolen, destroyed, or damaged beyond repair and the same shall be permanently retired from use. In such event, upon termination of the rental charge, a lump sum payment equal to the AAR depreciated replacement value of the car, currently in effect at the date of termination of the rental charge, will become due and payable to the Lessor as to each car, and upon payment thereof, the leased car shall become the property of Lessee.

9. Lessee agrees to indemnify and save Lessor harmless against any and all expense, liability, demands or causes of action, whether well-founded or otherwise, including the cost of defending same, which Lessor may incur or be subject to in any manner, or by any other cause, both during and after the term of this Lease, arising out of or as a result of: (1) the use, possession, or operation of the leased cars by Lessee during the term of this Lease; (2) any accident in connection with the use, possession or operation of the leased cars by Lessee during the term of this Lease resulting in damage to property, death of

or injury to any person, including and by no means limited to Lessee and Lessor and their employees, or pursuant to any Federal or State employer's liability, Workmen's Compensation, or other compensation law, whether or not such damage, death or injury is caused by the sole or concurring negligence of Lessor, its agents, servants or employees. Such expenses, liability or costs shall include court costs, attorney's fees or other legal fees.

IN WITNESS WHEREOF, the parties, hereto, intending to be legally bound hereby and pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names as of the day and year first above written.

SOUTHERN PACIFIC TRANSPORTATION CO.

Witness:

Louis D. Anger

By: E. J. Morossy
Title: AVP - Fleet Management

U. S. RAILCAR COMPANY

Witness:

Walter L. Leonard

By: Harold J. Leonard
Title: President

EXHIBIT A

<u>Equipment Leased</u>		<u>Lease Rate</u>	<u>Effective Date</u>
75-65 ft. Gondola Cars with PLE Reporting Marks			
(Car Numbers)			
15001	15113	\$190.00 per car/ per month	December 1, 1988
15008	15114		
15011	15115		
15012	15134		
15020	15136		
15021	15138		
15024	15142		
15026	15144		
15028	15147		
15036	15148		
15040	15149		
15044	15151		
15046	15152		
15052	15155		
15053	15157		
15058	15161		
15061	15166		
15064	15170		
15065	15173		
15066	15185		
15067	15190		
15068	15192		

15073	15196
15074	15197
15080	15198
15081	15202
15082	15209
15085	15210
15088	15216
15090	15221
15091	15224
15096	15227
15099	15232
15100	15238
15102	15239
15103	15242
15108	15248
15112	

EXHIBIT "C"
TO
AGREEMENT OF SALE AND ASSIGNMENT OF LEASE
BETWEEN
U.S. RAILCAR, INC.
AND
HELM FINANCIAL CORPORATION
(ATTACH COPY OF SP 2 LEASE)

RAILROAD EQUIPMENT LEASE

THIS LEASE, dated as of the 13TH day of APRIL, 19 89, by and between U. S. RAILCAR, INC. ("Lessor") and SOUTHERN PACIFIC TRANSPORTATION COMPANY ("Lessee).

W I T N E S S E T H:

1. Lease of Cars. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor NINETY-THREE 100-TON COVERED GONDOLA cars (each hereinafter referred to as a "Car" and more than one hereinafter referred to as "Cars"), bearing numbers as set forth in Exhibit A, attached hereto and made a part hereof.

2. Delivery of Cars. The Cars are presently under lease to lessee pursuant to Assignment Agreement dated 10-14-87 between Pittsburgh and Lake Erie Railroad and Southern Pacific Transportation Company. Effective 1-1-90 this lease will supercede the Assignment Agreement. Prior to 12-31-89 Lessor will use its best efforts to complete any work required by Rule 88 - Mechanical Requirements for Acceptance to AAR on all of the Cars. Lessee will make the Cars available, and will not be obligated for lease payments from the time the Car is delivered to Lessor for such work until such Car is re-delivered to Lessee following completion of such work.

3. Disclaimer of Warranty. LESSEE EXPRESSLY AGREES TO LEASE EACH CAR "AS IS". LESSOR WILL NOT BE DEEMED TO HAVE MADE, AND

LESSOR HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE CARS, THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE CARS, NOR WILL LESSOR BE LIABLE IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE) OR OTHERWISE FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, SUCH AS, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, COST OF CAPITAL OR CLAIMS OF CUSTOMERS OF LESSEE.

4. Use and Possession. During the term of this lease, so long as Lessee is not in default of the provisions hereunder, Lessee will be entitled to possession of each Car from the date the lease becomes effective as to such Car, and the same may be used on its own property or lines and upon the lines of any other railroad in interchange service; provided, however, that the Cars will be used only in the United States of America, Canada, and the Republic of Mexico for the uses for which they were designed.

5. Term. This lease will be for an initial term which will commence on January 1, 1990 and will terminate on December 31, 1995. If Lessee has fully performed all of its obligations under this lease, Lessee may, by written notice to Lessor given no later than SIXTY (60) days prior to the conclusion of the preceding term, renew this lease for ONE (1) additional term of ONE (1) year. During any additional term all of the provisions and conditions of this lease will continue in effect.

6. Rental. As rental for the use of each Car, Lessee will pay Lessor THREE HUNDRED AND TEN DOLLARS (\$310.00) per month during the initial FIVE (5) year period, and A NEGOTIATED AMOUNT per month for each month of any additional term retained in accordance with the provisions of Paragraph 5 hereof. Lessee will make monthly payments of the aforesaid rental to Lessor within fifteen (15) days from billing date. Billing date will be the first day of the month, commencing with the first day of the month following the commencement date of this lease. Any payment due for a partial month shall be pro-rated. It is specifically agreed that Lessee will retain all Daily Time Charges and Mileage Charges attributable to the use of each Car from the date of delivery until the expiration of the term of this lease.

7. Title. Lessee will not by reason of this lease or any action taken hereunder acquire or have any right or title in and to the Cars except as to the rights herein expressly granted to it as Lessee.

8. Maintenance. During the continuance of this lease, Lessee will promptly and with due diligence keep and maintain the Cars in good working order and repair, and make all replacements and repairs to the Cars or their equipment and appliances to the extent required by presently effective Interchange Rules of the Association of American Railroads and laws and regulations of any Federal, State or governmental body or department. Except as provided in Paragraph 17 hereof with respect to the loss, theft,

or destruction of Cars, all of the foregoing maintenance and replacements will be provided at the sole cost and expense of Lessee and without any reduction or abatement in rent or other loss, cost or expense to Lessor. In addition, Lessor will have the right, but not the obligation, to inspect any Car at its own expense, and upon request of Lessor, Lessee will confirm to Lessor the location of each Car and will, at any reasonable time, make the Car, and Lessee's records pertaining to it available to Lessor for inspection.

9. Additions to Cars. Any parts, replacements or additions made to any Car will be accessions to such Car and title thereto will be immediately vested in Lessor without cost or expense to Lessor. No additions, alterations, removals or basic structural repairs, requiring in excess of twenty (20) man-hours direct labor to complete, will be made to any Car without prior written consent of Lessor.

10. Taxes. Lessee will promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes, levied or assessed during the continuance of this lease upon the Cars or the interest of Lessee therein whether or not upon the use or operation thereof or the earnings derived therefrom. If any levy or assessment is made against Lessor on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of Lessor therefrom, Lessee will promptly pay or reimburse Lessor for the same except

that Lessee will not be required to pay the same so long as it protests, in good faith and by appropriate legal or administrative proceedings, the validity or amount of such levy or assessment.

11. Laws and Regulations. During the term of this lease, Lessee will comply with all statutes, orders, regulations, and ordinances applicable to its business and the use of the Cars, and Lessee agrees that its use of the Cars will not violate any statutes, laws, ordinances or regulations of any governmental agency applicable to the use of such Cars.

12. Freight and Other Charges. Lessor will not be obligated for the payment of any freight or other charges incurred by the movement or the holding of the Cars, either loaded or empty, during the term of this lease.

13. Lading. Lessor will not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the Cars, for whatever reason such loss or damage may be caused or result. Lessee agrees to assume responsibility for, to indemnify Lessor against, and save Lessor harmless from any such loss or damage or claim therefor.

14. Prohibition Against Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any liens, security interests or other encumbrances on or with respect to the Cars, Lessor's title thereto or any interest of Lessor

therein, and Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such lien, security interest or other encumbrance. Lessee will not be required, however, to pay or discharge any such lien or claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title in and to the Cars or Lessor's interest therein.

15. Identification of Cars. At all times during the continuance of this lease, Lessee will cause each Car to bear the number assigned to it and appearing thereon as of the date of its delivery.

16. Indemnity. Lessee hereby agrees to forever indemnify, defend and save Lessor harmless from and against any and all damages, claims, actions, liabilities, costs and expenses, including attorneys' fees arising directly or indirectly out of or in connection with the condition, operation or use of all or any of the Cars from and after their delivery to Lessee until their redelivery to Lessor. If Lessor is named as a party to any lawsuit as a result of the above, Lessee agrees to undertake the defense and costs associated therewith immediately upon tender of said defense, including payment of any judgement directed against Lessor, jointly or severally. Lessee also agrees to pay and indemnify Lessor from any and all penalties, taxes, fines, and levies arising from the operations of said Cars under this lease.

17. Loss, Theft or Destruction of Cars. In the event that any Car shall be lost, stolen, destroyed or irreparably damaged beyond economic repair (to be determined by Lessor) from any cause whatsoever at any time during the term of this lease, Lessee will be relieved of its obligation to pay rentals in respect of such Car from the date of such occurrence. Lessee will forthwith advise Lessor of such occurrences and will make prompt settlement for each such Car by payment in cash to Lessor of a sum calculated, as of the date of said loss, theft, destruction or damage, in accordance with the prevailing rules applicable thereto in the Field Manual of Interchange Rules prescribed by the Association of American Railroads, plus any unpaid rental and charges as herein provided to such date. Such settlement will be made no later than forty-five (45) days after the occurrence. Upon payment of such settlement, this lease will terminate as to such Car as of said date and Lessee will be entitled to salvage, if any.

18. Redelivery of Cars. Upon termination of this lease with respect to any Car (other than pursuant to Paragraph 17 hereof), Lessee will at its sole cost and expense immediately surrender possession of such Car by causing delivery of same to be made at the direction of Lessor, to a location or points on the system lines of Lessee. If on termination, Lessor fails to provide disposition instructions Lessee will store Cars free of charge for up to ninety (90) days. Lessee will return all Cars to Lessor in good condition suitable for interchange under accepted

interchange practices as covered in the current AAR Field Manual of Interchange Rules, and in furtherance of this obligation, Lessee and Lessor will perform a joint inspection of all Cars prior to redelivery, each party to assume the expense of its own inspection. Until such time as each Car has been redelivered to Lessor, Lessee will continue to pay rental at the rate being paid immediately prior to termination of this lease and Lessee will make all other payments and perform all obligations and requirements of Lessee under all provisions of this lease as though such termination had not occurred.

19. Substitution of Cars. In the event the lease as to any Car shall be terminated pursuant to Paragraph 8 or 17 hereof, Lessor will have the right, but not the obligation, to substitute therefor another Car of the same type and capacity, subject to inspection by Lessee. Lessor may offer replacement cars of a different grade at a lease rate to be negotiated.

20. Default. The term "event of default" for the purpose hereof will mean any one or more of the following:

(a) Non-payment by Lessee within five (5) days after written notice to Lessee of default in payment of rental or any other sum required to be paid hereunder by Lessee;

(b) Failure by Lessee, in the observance or performance of any agreement required to be observed or

performed on its part under this lease, except as referred to in the foregoing clause (a), said failure continuing for a period of thirty (30) days after the giving of written notice thereof by Lessor;

(c) Decree or order, entered by a court having jurisdiction in the premises, adjudging Lessee bankrupt or insolvent, or approving as properly filed a petition seeking reorganization under Federal or State law; or

(d) Institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceeding or to any action taken or proposed to be taken in any proceeding described hereinabove in clause (c), or the making by Lessee of a general assignment for the benefit of creditors.

21. Remedies. Lessor will have the right in the event of default by Lessee to terminate this lease immediately by giving notice to Lessee, and Lessor may, without any notice or demand, take or cause to be taken immediate possession of the Cars, pursuant to Paragraph 18 hereof concerning redelivery of Cars by Lessee, provided, however, that all remedies are cumulative and such retaking will not be deemed as exclusive or a waiver of Lessor's right to receive payment of all sums, including reasonable attorney's fees and costs, payable by Lessee to Lessor

under this lease, or any other rights or remedies conferred upon Lessor under applicable laws or in equity.

22. Net Lease. The lease provided for herein is a net lease, and Lessee acknowledges and agrees that Lessee's obligation to pay all rentals hereunder, shall be absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense, counterclaim or recoupment for any reason whatsoever, including, without limitation, such as may be due to any present or future claims of Lessee against Lessor under this lease or otherwise. Except as otherwise expressly provided herein, this lease shall not terminate, nor shall the obligations of Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, any Cars from whatsoever cause (other than provided for in Paragraph 17 hereof), or the interference with the use thereof by any third party or governmental authority, or the invalidity or unenforceability or lack of due authorization of this lease or lack of right, power or authority of Lessor or Lessee to enter into this lease or any failure of Lessor to perform any obligation of Lessor to Lessee under this lease, or any instrument or document executed in connection herewith, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of Lessor and Lessee that all rentals payable by lessee hereunder shall be, and continue to be, payable in all events unless the

obligation to pay the same will be terminated pursuant to the express provisions of this lease.

23. Recording. Lessee, immediately upon execution and without expense to Lessor, will cause this lease to be filed with the Interstate Commerce Commission for recordation under Section 11303(a) of the Interstate Commerce Act.

24. Sublease and Assignment. Lessee will not assign or sublease this lease or any of the Cars without the prior written consent of Lessor, which will not be unreasonably withheld. However, any event of default under such assignment or sublease will be considered as an event of default under this lease. Lessor may sell or otherwise dispose of the Cars or may assign and reassign all or part of its rights under this lease, including the rent to be paid, without the consent of Lessee, if said sale, disposition, assignment or reassignment does not diminish, interfere or prejudice the rights of Lessee under this lease, and Lessor gives to Lessee notice of any such sale, disposition, assignment or reassignment.

25. Successors and Assigns. The covenants, conditions and agreements contained in this lease will bind and inure to the benefit of the parties, their successors and permitted assigns.

26. Governing Laws - Amendments. The terms of this lease and all rights and obligations hereunder will be governed by the laws of the State of Illinois. The terms of this lease and the rights

and obligations of the parties hereto may not be amended or terminated orally, but only by agreement in writing by the party against whom the enforcement of such amendment or termination is sought.

27. Execution. This lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which will be sufficiently evidenced by any such original counterpart.

WITNESS:

U. S. RAILCAR, INC.

Eric A. Hunt

BY

Homer H. Jones

WITNESS:

E. J. Moussey

BY

Alldor

STATE OF Illinois)
) SS:
COUNTY OF Cook)

On this 20th day of JULY, 1989, before,
me the undersigned Notary Public, personally appeared
Homer G. Jones, who being duly sworn according to
law, acknowledged that he is President of
U. S. Railcar, Inc.

that he executed the foregoing instrument for and on behalf of said
company, and that the execution of the foregoing instrument was the
free act and deed of said company.



Notary Public

MY COMMISSION EXPIRES
SEPTEMBER 24, 1989
KATHLEEN M. HARWICK

EXHIBIT "D"
TO
AGREEMENT OF SALE AND ASSIGNMENT OF LEASE
BETWEEN
U.S. RAILCAR, INC.
AND
HELM FINANCIAL CORPORATION

(ATTACH COPY OF MIDSOUTH LEASE)

THIS LEASE, dated as of the 18th day of October , 19 89,
by and between U. S. RAILCAR, INC. ("Lessor") and MIDSOUTH
CORPORATION ("Lessee").

W I T N E S S E T H:

1. Lease of Cars. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor FIFTY (50) 100-TON GONDOLAS cars (each hereinafter referred to as a "Car" and more than one hereinafter referred to as "Cars"), bearing numbers as set forth in Exhibit A, attached hereto and made a part hereof. The lease will become effective, as to each Car, immediately upon its acceptance pursuant to Paragraph 3 hereof, and will continue in effect, as to each Car, until redelivered pursuant to Paragraph 20 hereof.

2. Delivery of Cars. Lessor will deliver the Cars as promptly as is reasonably possible. The Cars will be transported without cost to Lessor to such point as Lessee shall designate. Delivery of each Car to Lessee will be effective upon the date when such Car has been accepted in interchange service by a connecting railroad at such point as is designated by Lessee.

3. Acceptance. Lessee will inspect all of the Cars prior to delivery. Lessee agrees to accept the same without objection as to condition upon delivery, provided that a Certificate of Acceptance has been executed and delivered to Lessor by an officer of Lessee with respect to each such Car, within fifteen (15) days of said inspection. Lessee will not be responsible, however, for damage

which may have occurred to any Car subsequent to said inspection but prior to delivery.

4. Disclaimer of Warranty. LESSEE EXPRESSLY AGREES TO LEASE EACH CAR "AS IS". LESSOR WILL NOT BE DEEMED TO HAVE MADE, AND LESSOR HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE CARS, THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE CARS, NOR WILL LESSOR BE LIABLE IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE) OR OTHERWISE FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, SUCH AS, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, COST OF CAPITAL OR CLAIMS OF CUSTOMERS OF LESSEE.

5. Use and Possession. During the term of this lease, so long as Lessee is not in default of the provisions hereunder, Lessee will be entitled to possession of each Car from the date the lease becomes effective as to such Car, and the same may be used on its own property or lines and upon the lines of any other railroad in interchange service; provided, however, that the Cars will be used only in the United States of America, Canada, and the Republic of Mexico for the uses for which they were designed.

6. Term. This lease will be for an initial term which will commence on the date of delivery of the first Car by Lessor and will terminate FIVE (5) years from the average date of delivery of all of the cars. If Lessee has fully performed all of its obligations under this lease, Lessee may, by written notice to

Lessor given no later than SIXTY (60) days prior to the conclusion of the preceding term or any renewal term, renew this lease for up to, but not exceeding, ONE (1) additional terms of ONE (1) years each. During any additional term or terms, all of the provisions and conditions of this lease will continue in effect.

7. Rental. As rental for the use of each Car, Lessee will pay Lessor THREE HUNDRED AND TEN DOLLARS (\$310.00) per month during the initial FIVE (5) year period from the date of delivery thereof, and A NEGOTIATED AMOUNT per month for each month of any additional term retained in accordance with the provisions of Paragraph 6 hereof. Lessee will make monthly payments of the aforesaid rental to Lessor within fifteen (15) days from billing date. Billing date will be the first day of the month, commencing with the first day of the month following the commencement date of this lease. Any payment due for a partial month shall be pro-rated. It is specifically agreed that Lessee will retain all Daily Time Charges and Mileage Charges attributable to the use of each Car from the date of delivery until the expiration of the term of this lease.

8. Title. Lessee will not by reason of this lease or any action taken hereunder acquire or have any right or title in and to the Cars except as to the rights herein expressly granted to it as Lessee.

9. Maintenance. During the continuance of this lease, Lessee will promptly and with due diligence keep and maintain the Cars in good working order and repair, and make all replacements and repairs to the Cars or their equipment and appliances to the extent required

by presently effective Interchange Rules of the Association of American Railroads and laws and regulations of any Federal, State or governmental body or department. Except as provided in Paragraph 19 hereof with respect to the loss, theft, or destruction of Cars, all of the foregoing maintenance and replacements will be provided at the sole cost and expense of Lessee and without any reduction or abatement in rent or other loss, cost or expense to Lessor. In addition, Lessor will have the right, but not the obligation, to inspect any Car at its own expense, and upon request of Lessor, Lessee will confirm to Lessor the location of each Car and will, at any reasonable time, make the Car, and Lessee's records pertaining to it available to Lessor for inspection.

10. Additions to Cars. Any parts, replacements or additions made to any Car will be accessions to such Car and title thereto will be immediately vested in Lessor without cost or expense to Lessor. No additions, alterations, removals or basic structural repairs, requiring in excess of twenty (20) man-hours direct labor to complete, will be made to any Car without prior written consent of Lessor.

11. Taxes. Lessee will promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes, levied or assessed during the continuance of this lease upon the Cars or the interest of Lessee therein whether or not upon the use or operation thereof or the earnings derived therefrom. If any levy or assessment is made against Lessor on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or

the net income of Lessor therefrom, Lessee will promptly pay or reimburse Lessor for the same except that Lessee will not be required to pay the same so long as it protests, in good faith and by appropriate legal or administrative proceedings, the validity or amount of such levy or assessment.

12. Laws and Regulations. During the term of this lease, Lessee will comply with all statutes, orders, regulations, and ordinances applicable to its business and the use of the Cars, and Lessee agrees that its use of the Cars will not violate any statutes, laws, ordinances or regulations of any governmental agency applicable to the use of such Cars.

13. Freight and Other Charges. Lessor will not be obligated for the payment of any freight or other charges incurred by the movement or the holding of the Cars, either loaded or empty, during the term of this lease.

14. Lading. Lessor will not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the Cars, for whatever reason such loss or damage may be caused or result. Lessee agrees to assume responsibility for, to indemnify Lessor against, and save Lessor harmless from any such loss or damage or claim therefor.

15. Prohibition Against Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any liens, security interests or other encumbrances on or with respect to the Cars, Lessor's title thereto or any interest of Lessor therein, and

Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such lien, security interest or other encumbrance. Lessee will not be required, however, to pay or discharge any such lien or claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title in and to the Cars or Lessor's interest therein.

16. Identification of Cars. At all times during the continuance of this lease, Lessee will cause each Car to bear the number assigned to it and appearing thereon as of the date of its delivery.

17. Indemnity. Lessee hereby agrees to forever indemnify, defend and save Lessor harmless from and against any and all damages, claims, actions, liabilities, costs and expenses, including attorneys' fees arising directly or indirectly out of or in connection with the condition, operation or use of all or any of the Cars from and after their delivery to Lessee until their redelivery to Lessor, whether or not due to the negligence in whole or in part of Lessor, its agents or employees, Lessee, its agents or employees, or of Lessor and Lessee, their agents or employees, jointly. If Lessor is named as a party to any lawsuit as a result of the above, Lessee agrees to undertake the defense and costs associated therewith immediately upon tender of said defense, including payment of any judgement directed against Lessor, jointly or severally. Lessee also agrees to pay and indemnify Lessor from any and all penalties, taxes, fines, and levies arising from the

operations of said Cars under this lease.

18. Insurance. Lessee will maintain or cause to be maintained, with respect to the Cars and its activities and operations in which the Cars shall be utilized, casualty and liability insurance of the scope and limits normally carried by Lessee, and in such types and limits normally carried by Lessee, and in such types and limits as are customarily carried by comparable companies under similar circumstances, or as in the judgment of Lessee are adequate to protect activities and operations of Lessee, such insurance to be maintained through commercial insurers of recognized responsibility; provided that Lessee shall maintain the following minimum coverage with respect to its liability insurance: personal injury and property damage liability insurance with combined single limit of \$1,000,000, covering liability of Lessee, including liability assumed under any contract or agreement, arising out of any occurrence or occurrences caused by or growing out of Lessee's operations anywhere in the world, and all operations incidental thereto. All such policies required above shall name Lessor as an additional insured and shall contain a provision to the effect that the insurer will give Lessor thirty (30) days prior written notice before cancellation, termination or modification of any such policy is effective. Lessee shall furnish Lessor with certificates or other satisfactory evidence of the maintenance of the insurance required hereunder. If Lessee fails to effect and keep in force such insurance or to pay the premium therefore, Lessor may do so for Lessee's account and the cost thereof shall be treated as additional rental hereunder. If Lessor shall receive the proceeds of such policies, the proceeds shall be paid over to Lessee;

provided that no event of default shall have occurred and be continuing.

19. Loss, Theft or Destruction of Cars. In the event that any Car shall be lost, stolen, destroyed or irreparably damaged beyond economic repair (to be determined by Lessor) from any cause whatsoever at any time during the term of this lease, Lessee will be relieved of its obligation to pay rentals in respect of such Car from the date of such occurrence. Lessee will forthwith advise Lessor of such occurrences and will make prompt settlement for each such Car by payment in cash to Lessor of a sum calculated, as of the date of said loss, theft, destruction or damage, in accordance with the prevailing rules applicable thereto in the Field Manual of Interchange Rules prescribed by the Association of American Railroads, plus any unpaid rental and charges as herein provided to such date. Such settlement will be made no later than forty-five (45) days after the occurrence. Upon payment of such settlement, this lease will terminate as to such Car as of said date and Lessee will be entitled to salvage, if any.

20. Redelivery of Cars. Upon termination of this lease with respect to any Car (other than pursuant to Paragraph 19 hereof), Lessee will at its sole cost and expense immediately surrender possession of such Car by causing delivery of same to be made at the direction of Lessor, to a location or points on the system lines of Lessee. If on termination, Lessor fails to provide disposition instructions Lessee will store Cars free of charge for up to ninety (90) days. Lessee will return all Cars to Lessor in as good condition (ordinary wear and tear excepted) as when the

same were accepted by Lessee and in furtherance of this obligation, Lessee and Lessor will perform a joint inspection of all Cars prior to redelivery, each party to assume the expense of its own inspection. Lessor may require that a qualified environmental consultant inspect any or all of the Cars at Lessee's expense. Such repairs as may be determined by said joint inspection and by the environmental consultant to be required to place the Cars in as good condition (ordinary wear and tear excepted) as when accepted under this lease will be performed by Lessee at its sole expense prior to redelivery to Lessor. Until such time as each Car has been redelivered to Lessor, Lessee will continue to pay rental at the rate being paid immediately prior to termination of this lease and Lessee will make all other payments and perform all obligations and requirements of Lessee under all provisions of this lease as though such termination had not occurred.

21. Substitution of Cars. In the event the lease as to any Car shall be terminated pursuant to Paragraph 9 or 19 hereof, Lessor will have the right, but not the obligation, to substitute therefor another Car of the same type and capacity. Lessor may offer replacement cars of a different grade at a lease rate to be negotiated.

22. Default. The term "event of default" for the purpose hereof will mean any one or more of the following:

(a) Non-payment by Lessee within five (5) days after written notice to Lessee of default in payment of

rental or any other sum required to be paid hereunder
by Lessee;

(b) Failure by Lessee, in the observance or performance of any agreement required to be observed or performed on its part under this lease, except as referred to in the foregoing clause (a), said failure continuing for a period of thirty (30) days after the giving of written notice thereof by Lessor;

(c) Decree or order, entered by a court having jurisdiction in the premises, adjudging Lessee bankrupt or insolvent, or approving as properly filed a petition seeking reorganization under Federal or State law; or

(d) Institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceeding or to any action taken or proposed to be taken in any proceeding described hereinabove in clause (c), or the making by Lessee of a general assignment for the benefit of creditors.

23. Remedies. Lessor will have the right in the event of default by Lessee to terminate this lease immediately by giving notice to Lessee, and Lessor may, without any notice or demand, take or cause to be taken immediate possession of the Cars, pursuant to Paragraph 20 hereof concerning redelivery of Cars by Lessee, provided, however, that all remedies are cumulative and such retaking will

not be deemed as exclusive or a waiver of Lessor's right to receive payment of all sums, including reasonable attorney's fees and costs, payable by Lessee to Lessor under this lease, or any other rights or remedies conferred upon Lessor under applicable laws or in equity.

24. Financial Statements. During the term of this lease, Lessee will furnish to Lessor:

(a) As soon as practicable and in any event within sixty (60) days after the end of each of the first three quarterly periods in each fiscal year of Lessee, consolidated balance sheets of Lessee and its subsidiaries, as at the end of such period, and consolidated statements of income, stockholders' equity, and changes in financial position of Lessee and its subsidiaries for such period, setting forth in comparative form the figures for the corresponding periods of the previous fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a consistent basis and certified as complete and correct, subject to changes resulting from audit and year-end adjustments, by the principal financial officer of Lessee;

(b) As soon as practicable and in any event within one hundred twenty (120) days after the end of each fiscal year, consolidated and consolidating balance sheets of Lessee and its subsidiaries, as at the end of

such year, and consolidated and consolidating statements of income, stockholders' equity, and changes in financial position of Lessee and its subsidiaries for such year, setting forth in the case of all consolidated statements in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a consistent basis, and (i) in the case of consolidated balance sheets and other consolidated financial statements referred to above, accompanied by a report and opinion of independent certified public accountants, which report and opinion shall have been prepared in accordance with generally accepted auditing standards, and (ii) in the case of consolidating balance sheets and statements, certified by the principal financial officer of Lessee.

25. Net Lease. The lease provided for herein is a net lease, and Lessee acknowledges and agrees that Lessee's obligation to pay all rentals hereunder, shall be absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense, counterclaim or recoupment for any reason whatsoever, including, without limitation, such as may be due to any present or future claims of Lessee against Lessor under this lease or otherwise. Except as otherwise expressly provided herein, this lease shall not terminate, nor shall the obligations of Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, any Cars from whatsoever cause (other than provided for in Paragraph 19 hereof), or the interference with the use thereof by

any third party or governmental authority, or the invalidity or unenforceability or lack of due authorization of this lease or lack of right, power or authority of Lessor or Lessee to enter into this lease or any failure of Lessor to perform any obligation of Lessor to Lessee under this lease, or any instrument or document executed in connection herewith, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of Lessor and Lessee that all rentals payable by lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same will be terminated pursuant to the express provisions of this lease.

26. Recording. Lessee, immediately upon execution and without expense to Lessor, will cause this lease to be filed with the Interstate Commerce Commission for recordation under Section 11303(a) of the Interstate Commerce Act.

27. Sublease and Assignment. Lessee will not assign or sublease this lease or any of the Cars without the prior written consent of Lessor, which will not be unreasonably withheld. However, any event of default under such assignment or sublease will be considered as an event of default under this lease. Lessor may sell or otherwise dispose of the Cars or may assign and reassign all or part of its rights under this lease, including the rent to be paid, without the consent of Lessee, if said sale, disposition, assignment or reassignment does not diminish, interfere or prejudice the rights of Lessee under this lease, and Lessor gives

to Lessee notice of any such sale, disposition, assignment or reassignment.

28. Successors and Assigns. The covenants, conditions and agreements contained in this lease will bind and inure to the benefit of the parties, their successors and permitted assigns.

29. Governing Laws - Amendments. The terms of this lease and all rights and obligations hereunder will be governed by the laws of the State of Illinois. The terms of this lease and the rights and obligations of the parties hereto may not be amended or terminated orally, but only by agreement in writing by the party against whom the enforcement of such amendment or termination is sought.

30. Execution. This lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which will be sufficiently evidenced by any such original counterpart.

WITNESS:

U. S. RAILCAR, INC.

Wesley R. Reamert

BY Howard J. Jones

WITNESS:

MIDSOUTH CORPORATION

J. Z. Evans

BY A. J. Salmon

Exhibit "A"

Equipment Leased
(Car Numbers)

19029	19430
19041	19450
19042	19458
19043	19466
19132	19471
19136	19486
19146	19487
19147	19517
19162	19518
19177	19544
19186	19562
19202	19570
19205	19576
19228	19651
19259	19667
19260	19708
19289	19751
19293	19758
19304	19804
19306	19806
19355	19849
19381	19855
19391	19887
19404	19897
19406	19905

STATE OF Mississippi)
COUNTY OF Hinds) SS.

On this 30th day of October, 19 89,
before me, the subscriber, DONNA R MAY, a
Notary Public, duly commissioned, qualified and acting, within
and for said County and State, appeared in person the within
named H I SALMONS to me personally known, who
stated and acknowledged that he is a VP & CEO
of MidSouth Corporation a (n) Delaware
corporation, authorized by authority of the Board of Directors
or the By-Laws of said corporation in his capacity as such
officer to execute and acknowledge the foregoing instrument
for and in the name and on behalf of said corporation and
further stated and acknowledged that he has so signed, execut-
ed and delivered the foregoing instrument for and in the name
and on behalf of said corporation and further stated and
acknowledged that he has so signed, executed and delivered the
foregoing instrument as the free and voluntary act and deed of
said corporation, for the consideration, uses the purposes
therein mentioned and set forth and desired that the same
might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and
official seal this 30th day of October, 19 89.

Donna R May
Notary Public

My commission expires My Commission Expires May 9, 1992.

STATE OF Illinois)
)
COUNTY OF Lake) SS.

On this 31st day of October, 19 89,
before me, the subscriber, Loretta M. Ziolkowski, a
Notary Public, duly commissioned, qualified and acting, within
and for said County and State, appeared in person the within
named Homer G. Jones to me personally known, who
stated and acknowledged that he is a President
of U. S. Railcar, Inc. a (n) Illinois
corporation, authorized by authority of the Board of Directors
or the By-Laws of said corporation in his capacity as such
officer to execute and acknowledge the foregoing instrument
for and in the name and on behalf of said corporation and
further stated and acknowledged that he has so signed, execut-
ed and delivered the foregoing instrument for and in the name
and on behalf of said corporation and further stated and
acknowledged that he has so signed, executed and delivered the
foregoing instrument as the free and voluntary act and deed of
said corporation, for the consideration, uses the purposes
therein mentioned and set forth and desired that the same
might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and
official seal this 31st day of October, 19 89.

Loretta M. Ziolkowski
Notary Public

My commission expires _____



Covers use of PALE marks
See Page 3

SGL-29-z
L/SHP

SP II

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (the "Agreement") is made as of this 1st day of November, 1989, by and between U.S. RAILCAR, INC. (the "Buyer"), a corporation organized under the laws of the State of Illinois, and THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY (the "Seller"), a corporation organized under the laws of the State of Delaware. Seller is the owner of railroad rolling stock which Buyer desires to purchase and Seller desires to sell.

For and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. Sale of Equipment. Seller agrees to sell, and Buyer agrees to purchase, ninety-three (93) covered gondolas identified in Exhibit A (such gondolas hereinafter collectively referred to as the "Equipment," and individually as a "Car").

2. Purchase Price. The purchase price of the Equipment shall be \$725,400 (the "Purchase Price"), payable in U.S. funds immediately available on the "Closing Date" (as defined in Section 10), by wire transfer to Pittsburgh National Bank, Fifth Avenue and Wood Street, Pittsburgh, Pennsylvania 15222, directed to the account of The Pittsburgh and Lake Erie Railroad Company, Account Number 1091688. In the event any Car

is not delivered because it was destroyed prior to the Closing Date, then the Purchase Price will be reduced on a pro rata basis.

3. Allocation of Revenues and Expenses. All revenues and expenses with respect to the Equipment and with respect to any Car which are incurred prior to the Closing Date shall be for the account of the Seller. All revenues and expenses with respect to the Equipment and with respect to any Car which are incurred on or after the Closing Date shall be for the account of Buyer.

4. Representations and Warranties of Seller. Seller hereby represents, warrants and declares to and in favor of Buyer that:

(a) On the Closing Date, Seller will hold title to the Equipment free and clear of all liens, claims, demands, encumbrances, privileges, pledges or other charges of every nature and kind whatsoever, except for the following:

- (i) an assignment agreement dated as of October 14, 1987 between Seller and Southern Pacific Transportation Company ("SP")(hereinafter the "Assignment Agreement"), a copy of which is attached hereto as Exhibit B.

(ii) a commission letter agreement dated October 3, 1987 and accepted on October 10, 1987 between Seller and Merchant Company (hereinafter the "Commission Agreement"), a copy of which is attached hereto as Exhibit C.

(b) Seller will defend in the name of Buyer, and will indemnify and save Buyer harmless from and against any claim, act, suit, proceeding or demand made, taken or asserted against Buyer by any and every person, firm or corporation claiming any estate, right, title or interest in or to the Equipment or a Car or Cars by reason of any matter or thing arising prior to or existing on the Closing Date, other than liens created or incurred by or through Buyer and claims under the Assignment Agreement or Commission Agreement arising after the Closing Date;

(c) This Agreement constitutes legal, valid and binding obligations of Seller, enforceable in accordance with the provisions hereof, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights, and except as enforceability thereof is subject to general principles of equity.

5. Representations and Warranties of Buyer. Buyer hereby represents, warrants and declares in favor of Seller that:

(a) Buyer acknowledges that the Equipment is over twenty years old and is not being sold by Seller to Buyer in compliance with Rule 88(A)(4)(c) of the Office Manual of the Interchange Rules ("Office Manual") adopted by the Association of American Railroads ("AAR").

(b) Buyer acknowledges that it sought a determination from the Association of American Railroads ("AAR") that its purchase of the Equipment on the terms set forth in this Agreement would not violate the AAR's Office Manual or the Field Manual of the Interchange Rules adopted by the AAR ("Field Manual"); a copy of Buyer's August 15, 1989 letter to the AAR requesting such determination is attached as Exhibit D hereto.

(c) The AAR determined that Buyer's purchase of the Equipment on the terms set forth in this Agreement would not violate the AAR's Office Manual or Field Manual; a copy of the AAR's September 14, 1989 response to Buyer is attached as Exhibit E hereto ("AAR Response").

(d) Buyer will continue to lease the Equipment to the SP under the Assignment Agreement, as modified by Exhibit D, until December 31, 1989. Buyer and SP have agreed that the Assignment Agreement will terminate on

December 31, 1989 and that Buyer will continue to lease the Equipment to SP under a new lease agreement. Buyer agrees, at its own expense, to perform, prior to January 31, 1990, all repairs to the Cars necessary for the Cars to meet the mechanical requirements for rebuilt cars as listed in Sections B and D of Rule 88 of the Office Manual and Sections A and B of Rule 88 of the Field Manual, and all successor rules, regulations and statutes, and Buyer further agrees to submit such Cars for inspection and approval by the Mechanical Division of the AAR and for approval by the Transportation Division of the AAR.

(e) Buyer will not lease, assign, transfer or sell any Car; provided that the representations and warranties in this Section 5(e) shall not apply to the continued lease of the Equipment to the SP as described in Section 5(d) hereof and shall cease to apply to any Car which has been repaired, inspected and approved pursuant to Section 5(d) hereof after the completion of such repair, inspection and approval.

(f) Buyer agrees to make the repairs to the Cars as described in Exhibit D hereto, including without limitation the timing to complete all such repairs.

(g) Buyer agrees that, effective as of the Closing Date, Buyer shall assume all obligations of Seller under the Commission Agreement including, without limitation,

any extension or renewal of the Assignment Agreement, or any obligations of Seller under the Commission Agreement resulting from the lease of the Equipment by Buyer to SP or any other party.

(h) This Agreement constitutes legal, valid and binding obligations of Buyer, enforceable in accordance with the provisions hereof except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights, and except as enforceability thereof is subject to general principles of equity.

6. Condition of Equipment. BUYER AGREES THE EQUIPMENT SHALL BE SOLD TO BUYER BY SELLER "AS-IS, WHERE-IS", WITHOUT ANY OTHER REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED, AND THE SELLER SHALL NOT, BY VIRTUE OF HAVING SOLD THE EQUIPMENT HEREWITH, BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS, OPERABILITY, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE EQUIPMENT.

7. Buyer's Indemnity. Buyer shall indemnify and hold Seller harmless from and against any and all costs, claims, liabilities and causes of action, including but not limited to attorney's fees and the costs of defending such claims (collectively, the "Claims"), arising from events occurring from and after the Closing Date, with respect to the condition,

repair, leasing, sale, utility, use, ownership, commission on or management of the Equipment or any Car; including, without limitation all costs, claims, liabilities and causes of action arising in connection with Buyer's or its (or their) lessee's, assignee's, transferee's or purchaser's use of the Equipment or any Car in violation of Sections 5(d), (e), (f) or (g) of this Agreement or violation of, or failure to comply with, Rule 88 of the Office Manual and Field Manual of the AAR and any successor rule, regulation or statute with respect to any Car. Upon payment of such indemnity, Buyer shall be subrogated to Seller's rights against any third parties respecting the Claim.

8. Seller's Indemnity. Seller shall indemnify and hold Buyer harmless from and against Claims arising from events occurring prior to the Closing Date, with respect to the condition, repair, leasing, sale, utility, use, ownership, commission on or management of the Equipment or any Car. Upon payment of such indemnity, Seller shall be subrogated to Buyer's rights against any third parties respecting the Claim.

9. Car Accounting and Storage. As set forth in this Section 9, Seller agrees to perform certain accounting and administrative functions associated with Seller's road numbers on the Equipment. Seller will perform accounting for all revenue earned, proceeds received and expenses incurred by a Car. Where applicable, charges shall be in accordance with AAR rules and codes. On a monthly basis, Seller will report the full activity of each Car and forward to Buyer all revenues and proceeds

collected by Seller for the account of Buyer, less AAR maintenance and other expenses and the fee set forth below. Seller is not obligated to forward to Buyer from Seller's own funds any amount of Buyer's uncollected revenues or proceeds, even if Buyer's revenues or proceeds are not being paid to Seller as a result of a dispute, outstanding issue or any other aspect of a relationship between Seller and a third party which is unrelated to this Agreement or the car accounting services described herein. Seller is not obligated to pursue collection of uncollected revenues and proceeds in any manner other than by the routine drafting of such amounts in the normal course of railroad industry settlement procedures as maintained by the AAR, or by the presentation of invoices to carriers not participating in the AAR settlement procedures. Seller is not obligated to initiate offsets against payable accounts, arbitration procedures, legal proceedings or any other action to collect Buyer's uncollected revenues and proceeds. Seller shall perform this service for Buyer at a cost of Eight Dollars and Fifty Cents (\$8.50) per Car per month. If the per diem amount of car hire earned by a Car increases at any time, then the cost of the accounting services performed by Seller hereunder shall be increased by the percentage increase in the per diem rate with respect to such Car. Seller shall not pay care hire and mileage to Buyer on any Car on the rail lines of the Seller or any of its subsidiaries. Either Seller or Buyer may cancel their respective obligations under this Section 9 upon thirty (30) days' notice to

the other party. Buyer shall remove the current PLE road number from the Equipment within thirty (30) days after a termination pursuant to this Section 9; provided, however, that so long as Seller's marks are on any Car, Seller may, at its option, continue to provide the car accounting functions described herein and Buyer shall pay to Seller the fees described in this Section 9. For so long as the Car accounting agreement in this Section 9 is in effect, Seller agrees, subject to space availability, to provide free storage on Seller's storage tracks for the Equipment; provided, however, that Buyer shall reimburse Seller for all costs reasonably incurred by Seller in connection with the storage of the Equipment; and provided, further, that Buyer shall indemnify and hold Seller harmless from and against any and all cost, claims, liabilities and causes of action, including but not limited to attorney's fees and the costs of defending such claims arising in connection with the storage of such Equipment; and provided, further, that Seller's obligation to provide free storage contained in this Section 9 will not survive the sale of all or a substantial portion of Seller's rail lines to an unaffiliated purchaser.

10. Closing. The Closing Date shall be on or before November 15, 1989. On the Closing Date: (a) Seller shall deliver to Buyer a Bill of Sale for the Equipment in the form of Exhibit F to this Agreement; (b) Seller shall deliver to Buyer an assignment agreement in the form of Exhibit G to this Agreement; ("PLE Assignment"); (c) Seller shall deliver to Buyer evidence

reasonably satisfactory to Buyer of Seller's title to the Equipment; (d) Buyer shall deliver to Seller the Purchase Price of the Equipment; and (e) Buyer shall deliver to Seller the PLE Assignment executed by Buyer. The Equipment shall be deemed to be delivered to and accepted by Buyer on the Closing Date.

11. Broker's Commissions. Each party hereto represents and warrants that it has not entered into any agreement with any broker relating to the sale of the Equipment to Buyer and that no broker's commission is due with respect to the transactions contemplated herein. Each party agrees to indemnify and hold the other party harmless from and against any claims for broker's commissions arising out of the acts of such party and for expenses (including reasonable attorneys' fees) and costs relating to such claims as a result of a breach of the warranty contained in this section.

12. Survival of Representations and Warranties. The representations and warranties herein contained on the part of Seller and Buyer shall survive the execution of this Agreement by the parties hereto and shall be deemed made as of the Closing Date.

13. Successors and Assign. This Agreement shall be binding upon the parties hereto, and their respective successors, administrators, assigns, purchasers and transferees; provided that, Buyer shall not assign this Agreement without the prior written consent of Seller.

14. Severability. Any term, condition or provision of this Agreement which is, or is deemed to be, void, prohibited, or unenforceable in any jurisdiction is, as to such jurisdiction, severable herefrom, and is ineffective to the extent of such avoidance, prohibition and unenforceability without in any way invalidating the remaining terms, conditions and provisions hereof. Any such avoidance, prohibition and unenforceability in any jurisdiction does not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.

15. Entire Agreement. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter contained herein and supersedes all prior agreements, understandings and representations, oral or written. No modification, limitation or release of any of the terms and conditions contained herein shall be made except by mutual agreement to that effect in writing and signed by the parties hereto.

16. Governing Law. THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF PENNSYLVANIA, SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, THE LAWS OF SUCH STATE, AND THIS AGREEMENT SHALL BE DEEMED IN ALL RESPECTS TO BE A CONTRACT OF SUCH STATE.

17. Notice. All communications under this Agreement shall be in writing and shall be deemed received when deposited in the United States mail (by certified mail, postage prepaid) or when personally delivered. The addresses are as follows:

Buyer: U.S. Railcar, Inc.
2333 Waukegan Road
Bannockburn, Illinois 60015
Attention: Homer Jones

Seller: The Pittsburgh and Lake Erie Railroad Company
Commerce Court
Four Station Square
Pittsburgh, Pennsylvania 15219
Attention: President

18. Counterparts. This Agreement may be executed in any number of counterparts, but all of such counterparts together shall constitute one and the same agreement.

19. Section Headings. The section headings contained in this Agreement are for convenience of reference only, and shall not effect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the day and year first hereinabove set forth.

SELLER:

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY

By: Charles E. Sternschwander
President

BUYER:

U.S. RAILCAR, INC.

By: Harold J. Jones
President

STATE OF ILLINOIS)
COUNTY OF Lake)

SS:

On this 3rd day of November, 1989, before me personally appeared Homer Jones, to me personally known, who, being by me duly sworn, says that he is the President of U.S. Railcar, Inc., and that the foregoing Purchase and Sale Agreement was signed on behalf of said corporation by authority of its Board of Directors. Further, he acknowledged that the execution of the foregoing Purchase and Sale Agreement was the free act and deed of said corporation.



Loretta M. Ziolkowski
Notary Public

[Notarial Seal]

My commission expires:

EXHIBIT "E"

BILL OF SALE AND ASSIGNMENT OF LEASES

THIS BILL OF SALE AND ASSIGNMENT OF LEASE ("Bill of Sale and Assignment") is made on this 15th day of May of 1991 by U.S. Railcar, Inc. ("Seller"), in favor of Helm Financial Corporation ("Buyer").

R E C I T A L S

A. SELLER AND BUYER have entered into an Agreement of Sale and Assignment of Lease dated May ____, 1991 (the "Agreement"), pursuant to which Buyer shall purchase from Seller and Seller shall sell to Buyer two hundred seventeen (217) railcars listed on Exhibit "A" attached hereto (the "Units"), and Seller shall assign and Buyer shall accept the assignment of any and all right, title and interest Seller may have in the Leases of the Units between Seller and Southern Pacific Transportation Company and MidSouth Corporation (the "Leases") and any and all rights under the Car Accounting Agreement(s) on the Units between Seller and The Pittsburgh and Lake Erie Railroad Company (the "PLE Agreement(s)").

B. For good and valuable consideration, the adequacy and receipt of which is hereby acknowledged by Seller, Seller and Buyer desire to give this Bill of Sale and Assignment for the purpose of effecting such purchase and sale pursuant to the provisions of the Agreement.

SELLER AGREES AS FOLLOWS:

1. Sale of Units.

Seller does hereby sell, convey, assign and transfer to Buyer and its affiliates the Units. The Units are sold "as is", "where is," without any warranty of merchantability or fitness for any particular purpose.

2. Assignment of Leases. Seller does hereby assign to Buyer and Buyer accepts the assignment of all of Seller's right title and interest in the Leases and the PLE Agreement(s) and assumes Seller's obligations thereunder.

3. Warranty of Ownership.

Seller does hereby covenant and warrant that it is the lawful owner of the Units, has good and marketable title to the Units, and that the same are free from all liens, claims, encumbrances, security interests or rights of third parties of any kind, excepting and subject to any liens for personal property taxes not yet due and payable and further excepting the Bank Liens (as defined in the Agreement) which Seller agrees will be released as soon as practicable on or following the date of this Bill of Sale and Assignment; and that it has obtained any and all consents necessary and has the right to sell the same.

4. No Default. Seller represents and warrants that the Leases are in full force and effect and there are no defaults of Seller thereunder, to Seller's knowledge there are no default of any of the Lessees under the Leases and there are no amendments thereof.

5. No Rights in Third Party.

Nothing expressed or implied in this Bill of Sale is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Bill of Sale and Assignment.

6. Successor and Assigns.

This Bill of Sale and Assignment is executed pursuant to the Agreement and is entitled to the benefits thereof and shall be binding upon and inure to the benefits of Seller and Buyer and their respective successors and assigns.

IN WITNESS WHEREOF, Seller and Buyer have caused this Bill of Sale to be executed by its officer thereunto duly authorized on the day and year first above written.

U.S. RAILCAR, INC.

By: Michael Strauss

Title: EXECUTIVE VICE PRESIDENT

HELM FINANCIAL CORPORATION

By: _____

Title: _____

EXHIBIT "A"
TO
BILL OF SALE AND ASSIGNMENT OF LEASE
BETWEEN

U.S. RAILCAR, INC.

AND

HELM FINANCIAL CORPORATION

Dated as of May ____, 1991

Equipment Description

Seventy-four (74) 65 ft. Gondola Cars with PLE Reporting Marks

Car Numbers

PLE 15001	PLE 15066	PLE 15113	PLE 15190
PLE 15008	PLE 15067	PLE 15114	PLE 15192
PLE 15011	PLE 15068	PLE 15115	PLE 15196
PLE 15012	PLE 15073	PLE 15136	PLE 15197
PLE 15020	PLE 15074	PLE 15138	PLE 15198
PLE 15021	PLE 15080	PLE 15142	PLE 15202
PLE 15024	PLE 15081	PLE 15144	PLE 15209
PLE 15026	PLE 15082	PLE 15147	PLE 15210
PLE 15028	PLE 15085	PLE 15148	PLE 15216
PLE 15036	PLE 15088	PLE 15149	PLE 15221
PLE 15040	PLE 15090	PLE 15151	PLE 15224
PLE 15044	PLE 15091	PLE 15152	PLE 15227
PLE 15046	PLE 15096	PLE 15155	PLE 15232
PLE 15052	PLE 15099	PLE 15157	PLE 15238
PLE 15053	PLE 15100	PLE 15161	PLE 15239
PLE 15058	PLE 15102	PLE 15166	PLE 15242
PLE 15061	PLE 15103	PLE 15170	PLE 15248
PLE 15064	PLE 15108	PLE 15173	
PLE 15065	PLE 15112	PLE 15185	

Exhibit A
to
Bill of Sale and Assignment of Lease
(continued)

Equipment Description

Ninety-three (93) covered gondolas

Car Numbers

PLE 44000	PLE 44317	PLE 44365
PLE 44001	PLE 44319	PLE 44370
PLE 44002	PLE 44320	PLE 44371
PLE 44003	PLE 44321	PLE 44373
PLE 44004	PLE 44322	PLE 44376
PLE 44006	PLE 44323	PLE 44377
PLE 44007	PLE 44325	PLE 44380
PLE 44008	PLE 44326	PLE 44381
PLE 44009	PLE 44327	PLE 44382
PLE 44010	PLE 44329	PLE 44384
PLE 44011	PLE 44331	PLE 44385
PLE 44012	PLE 44332	PLE 44386
PLE 44013	PLE 44334	PLE 44387
PLE 44014	PLE 44335	PLE 44390
PLE 44016	PLE 44336	PLE 44391
PLE 44017	PLE 44337	PLE 44392
PLE 44020	PLE 44338	PLE 44393
PLE 44021	PLE 44339	PLE 44394
PLE 44022	PLE 44342	PLE 44396
PLE 44035	PLE 44343	PLE 44397
PLE 44300	PLE 44344	PLE 44398
PLE 44301	PLE 44348	PLE 44399
PLE 44302	PLE 44351	PLE 44400
PLE 44304	PLE 44354	PLE 44401
PLE 44306	PLE 44353	PLE 44402
PLE 44307	PLE 44354	PLE 44409
PLE 44308	PLE 44357	PLE 44418
PLE 44310	PLE 44358	PLE 44419
PLE 44312	PLE 44359	PLE 44422
PLE 44314	PLE 44360	PLE 44423
PLE 44316	PLE 44361	PLE 44424

Exhibit A
to
Bill of Sale and Assignment of Lease
(continued)

Equipment Description

Fifty (50) 100 ton gondolas cars

Car Numbers

SR	19029	SR	19430
SR	19041	SR	19450
SR	19042	SR	19458
SR	19043	SR	19466
SR	19132	SR	19471
SR	19136	SR	19486
SR	19146	SR	19487
SR	19147	SR	19517
SR	19162	SR	19518
SR	19177	SR	19544
SR	19186	SR	19562
SR	19202	SR	19570
SR	19205	SR	19576
SR	19228	SR	19651
SR	19259	SR	19667
SR	19260	SR	19708
SR	19289	SR	19751
SR	19293	SR	19758
SR	19304	SR	19804
SR	19306	SR	19806
SR	19355	SR	19849
SR	19381	SR	19855
SR	19391	SR	19887
SR	19404	SR	19897
SR	19406	SR	19905

STATE OF ILLINOIS)
) S
COUNTY OF LAKE)

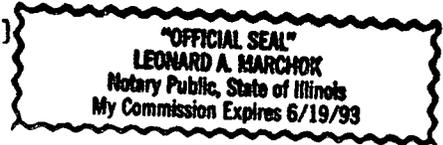
I, LEONARD A MARCHOK, a Notary Public in and for the state and county aforesaid, do hereby certify that MICHAEL STRAUSS of U.S. Railcar, Inc., an Illinois corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledges that he is EXEC VICE-PRES of said corporation, he signed and delivered the aforesaid instrument pursuant to authority of its Board of Directors, as his free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand notarial seal this 14TH day of MAY, 1991.

Leonard A Marchok
Notary Public

My Commission Expires: _____

[Notarial Seal]



STATE OF CALIFORNIA)
) S
COUNTY OF SAN FRANCISCO)

I, _____, a Notary Public in and for the state and county aforesaid, do hereby certify that _____ of Helm Financial Corporation, a California corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledges that he is _____ of said corporation, he signed and delivered the aforesaid instrument pursuant to authority of its Board of Directors, as his free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand notarial seal this _____ day of _____, 1991.

Notary Public

My Commission Expires: _____

[Notarial Seal]

(U.S. Railcar, Inc. Letterhead)

EXHIBIT "F"

ATTN:

Dear Sirs:

Please be advised that pursuant to an Agreement of Sale and Assignment of Lease dated as of May _____, 1991, between U.S. Railcar, Inc., an Illinois corporation ("Seller"), and Helm Financial Corporation ("Buyer"), U.S. Railcar, Inc. has sold to Helm the _____ ("Units") listed on Exhibit A attached hereto and assigned the lease agreement ("Lease") dated _____, leasing the Units to _____ to _____. After April 30, 1991, all lease payments with respect to such units should be made to the order of Helm Financial Corporation.

Please note your consent to this Assignment by signing below and returning to the attention of John F. Dains, Vice President, Finance, Helm Financial Corporation, One Embarcadero Center, Suite 3500, San Francisco, CA 94111.

Very truly yours,

HEREBY ACKNOWLEDGES
NOTIFICATION OF ASSIGNMENT OF THE LEASE TO HELM FINANCIAL CORPORATION AND AGREES TO MAKE ALL FUTURE RENTAL PAYMENTS TO HELM FINANCIAL CORPORATION AT THE ADDRESS ABOVE.

By: Thomas A. Haus
Title: EXEC V.P.
Date: _____

EXHIBIT "A"
TO
NOTICE OF ASSIGNMENT BY
U.S. RAILCAR, INC.
TO

Units:
Marking:
Number:
Manufacturer:
Date Built:

Exhibit "G"

(Attach copy of PLE Agreement(s))

AGREEMENT

This Agreement (the "Agreement") is made as of this 30th day of December, 1988 by and between THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY ("PLE") and U.S. RAILCAR, INC. ("USR").

WHEREAS, on the date hereof PLE sold to USR the gondolas set forth on Appendix A hereto (the "Railcars"); and

WHEREAS, PLE has leased the Railcars to Southern Pacific Transportation Company ("SP") under an Assignment Agreement dated July 17, 1987 between PLE and SP (the "Old Lease"); and

WHEREAS, PLE assigned the Old Lease to USR under an Assignment Agreement between PLE and USR dated the date hereof; and

WHEREAS, USR and SP have executed a new lease for a term of five years ("New Lease").

NOW THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledge, PLE and USR hereby agree as follows:

1. Car Accounting. During the term of the New Lease and subject to the provisions of Section 3 hereof, PLE shall perform all accounting and administrative functions associated with the reporting marks on the Railcars, including accounting for all revenues earned, proceeds received and expenses incurred by a Railcar, and attributable to the period from and after the date hereof. On a monthly basis within 30 days of receipt, PLE will report the full activity of each Railcar and forward all revenues and proceeds to USR, less AAR maintenance and other expenses and the fee set forth below. Where applicable, charges shall be in accordance with AAR rules and codes. PLE is not obligated to pursue collection of outstanding amounts

beyond routine industry settlement procedures. If any Railcar is reported as bad order or railroad-damaged and the repairs on such Railcar are for the account of the owning line, then PLE will use its reasonable efforts to request instructions from USR as to further handling; provided, however, that the failure of PLE to request such instructions shall not impose any liability on PLE. PLE shall perform the services described in this Section 1 for USR at a cost of the greater of Seven Dollars (\$7.00) per Railcar per month or 3.3% of the net of gross revenue less AAR maintenance. If the per diem amount of car hire earned by a Railcar increases at any time, then the cost of the accounting services performed by PLE hereunder shall be increased by the percentage increase in the per diem rate with respect to such Railcar. PLE shall pay car hire and mileage to USR on any Railcar on the rail line of PLE or any of its subsidiaries, when that Railcar is loaded and PLE shall not pay any car hire and mileage to USR on any Railcar on the rail line of PLE or any of its subsidiaries when such Railcar is empty.

2. Marks and Remarkings. The current running marks on the Railcars, set forth on Appendix A hereto with a "PLE" prefix will remain on the Railcars during the term the car accounting in Section 1 hereof is performed by PLE, unless this Agreement is earlier terminated pursuant to Section 3 hereof. Within ninety (90) days after the termination of this Agreement, for whatever reason, USR shall remove the current running marks on the Railcars; provided, however, that so long as PLE's marks are on any Railcar, PLE may, at its option, continue to provide the car accounting services to USR described in Section 1 hereof and USR shall continue to pay PLE the fees described therein.

3. Termination. If PLE arranges to sell all or a substantial portion of its rail lines to an unaffiliated purchaser, PLE may cancel this Agreement on not less than thirty (30) days' notice, which notice may be delivered prior to the closing date of the intended sale, provided, however, PLE cannot terminate as long as it maintains an active fleet and retains personnel to handle car accounting functions. At any time after January 1, 1994, either party may terminate this Agreement on thirty (30) days written notice to the other party.

4. Indemnification. USR shall indemnify and hold PLE harmless from and against any and all costs, claims, liabilities, and causes of action, including but not limited to attorneys' fees and the costs of defending such claims (collectively, the "Claims"), arising from events occurring from and after the date hereof, with respect to the condition, repair, leasing, sale, utility, use, ownership or management of any Railcar. Upon Payment of such indemnity, USR shall be subrogated to PLE's rights against any third parties respecting the Claim.

5. Governing Law. This Agreement shall be deemed to have been made in the Commonwealth of Pennsylvania, shall be construed in accordance with, and the rights and liabilities of the parties hereunder shall be governed by, the laws of such state, and this Agreement shall be deemed in all respects to be a contract of such state.

6. Counterparts. This Agreement may be executed in any number of counterparts, but all of such counterparts together shall constitute one and the same agreement.

7. Section Headings. The section headings contained in this Agreement are for convenience of reference only, and shall not effect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, PLE and USR have executed this Agreement as of the day and year first hereinabove set forth.

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

By: Gordon E. Nevenschwander
Title: PRESIDENT

U.S. RAILCAR, INC.

By: Walter L. Lotz
Title: CHAIRMAN

APPENDIX A

75 Gondolas

PLE 15001	PLE 15081	PLE 15152
PLE 15008	PLE 15082	PLE 15155
PLE 15011	PLE 15085	PLE 15157
PLE 15012	PLE 15088	PLE 15161
PLE 15020	PLE 15090	PLE 15166
PLE 15021	PLE 15091	PLE 15170
PLE 15024	PLE 15096	PLE 15173
PLE 15026	PLE 15099	PLE 15185
PLE 15028	PLE 15100	PLE 15190
PLE 15036	PLE 15102	PLE 15192
PLE 15040	PLE 15103	PLE 15196
PLE 15044	PLE 15108	PLE 15197
PLE 15046	PLE 15112	PLE 15198
PLE 15052	PLE 15113	PLE 15202
PLE 15053	PLE 15114	PLE 15209
PLE 15058	PLE 15115	PLE 15210
PLE 15061	PLE 15134	PLE 15216
PLE 15064	PLE 15136	PLE 15221
PLE 15065	PLE 15138	PLE 15224
PLE 15066	PLE 15142	PLE 15227
PLE 15067	PLE 15144	PLE 15232
PLE 15068	PLE 15147	PLE 15238
PLE 15073	PLE 15148	PLE 15239
PLE 15074	PLE 15149	PLE 15242
PLE 15080	PLE 15151	PLE 15248